
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.22.2010

Wall Street Journal: "Big Win for a Big Bear ... One of the nation's largest hedge funds is emerging as a big winner of 2010, earning its managers and clients billions in profits through a series of bearish bets on the U.S. economy."

Wall Street Journal: "Foreclosures Jam the Court System ... Judge Wayne L. Cobb came out of retirement to help clear some of the 33,000 foreclosure cases jamming the court where he sat on the bench for 32 years. Then foreclosure-paperwork problems prompted banks to suspend some proceedings. So Judge Cobb's caseload is lighter, but the backlog remains."

Wall Street Journal: "G-20 Proposal on Curbing Trade Imbalances Faces Opposition ... A proposal among the Group of 20 industrial and developing nations to target cuts in current-account imbalances, meant to avert a "currency war," is itself running into opposition from big exporting nations."

Wall Street Journal: "Fannie, Freddie Elicit Grim Forecast ... Propping up Fannie Mae and Freddie Mac will cost taxpayers \$154 billion under the most likely scenario for home prices, the mortgage giants' regulator said Thursday. But the bill could end up much greater-nearly double the \$135 billion already spent-if grimmer projections prove true and the economy slides back into recession."

Wall Street Journal: "A Tangled Mortgage Mess ... Two years after the jumbled days of the financial crisis, it is easy to forget that government and the private sector have had more hook-ups than an episode of "Jersey Shore.""

Wall Street Journal: "The G-20 Faces an Unenviable Task ... The heat is on. As G-20 finance ministers and central bankers gather in South Korea ahead of November's full-blown summit, Bank of England Governor Mervyn King says the world needs a "grand bargain" to avoid sliding toward protectionism. No one expects any swift results in Seoul, but policy makers need to focus on four key areas."

Wall Street Journal: "AIG Hits a Sweet Spot ... Well, they sure made that look easy."

Washington Post: "Geithner push for current account targets split G-20 nations ... Group of 20 finance chiefs are struggling to agree whether to set targets for their current account imbalances as a way of defusing tension over currencies before it sparks a trade war."

Washington Post: "Foreclosure crisis puts Wall Street reform legislation to the test ... The foreclosure problems that have unfolded in recent weeks present a test of whether financial regulators can respond more cohesively and aggressively to an emerging problem than they did to the subprime crisis three years ago."

Washington Post: "AIG Raises \$17.8 Billion in Record Hong Kong Offering ... American International Group Inc. raised a record HK\$138.3 billion (\$17.8 billion) in the Hong Kong initial public offering of its main Asian unit, putting the bailed-out insurer on course to repay its U.S. assistance."

Washington Post: "Fannie Mae, Freddie Mac bailout cost is likely to rise to \$154 billion, agency projects ... The bailout of Fannie Mae and Freddie Mac is likely to cost taxpayers an additional \$19 billion and may cost as much as \$124 billion more if the economy starts shrinking again, according to a government projection released Thursday."

Washington Post: "Chamber of Commerce's junk lawsuit clogs up the courts ... Another junk lawsuit has landed on the docket of the U.S. Court of Appeals for the District of Columbia, clogging up the judicial process, distracting busy and important defendants and eating up valuable resources that could be used to create a more productive economy."

Washington Times: "Lawyers got it right on the foreclosure mess ... Don't blame the lawyers. The crisis over faulty or fraudulent paperwork in mortgage foreclosures -- which is either a big deal or a humongous deal, depending on which experts you believe -- is the fault of arrogant, greedy lenders who played fast and loose with the basic property rights of homeowners."

NY Times: "Credit Cards Soon to Get a Makeover ... The simple credit card is about to get a makeover."

NY Times: "A.I.G. Raises \$17.8 Billion in Unit's Stock Sale ... American International Group raised \$17.8 billion by selling shares in its Asian life insurance unit - widely considered one of the insurer's crown jewels - making another substantial contribution in its efforts to pay down the huge bailout it received from the U.S. government at the height of the global financial crisis."

NY Times: "Fannie and Freddie May Need Infusion ... The federal bailout of Fannie Mae and Freddie Mac may be winding down with relatively little additional cost to taxpayers so long as the economy continues to recover. But if the economy tips back into recession, the bailout could nearly double in size, according to new government projections announced on Thursday."

NY Times: "The Bank Wins... ... The Dodd-Frank financial reform law is supposed to correct the problems and abuses that led to the crisis. It could take years to implement."

LA Times: "Fannie Mae, Freddie Mac bailouts could hit \$363 billion, report says ... The cost for the huge government bailouts of housing finance giants Fannie Mae and Freddie Mac will grow - and possibly more than double to \$363 billion - over the next three years."

USA Today: "U.S. wants countries to set targets to cut trade surpluses ... The U.S. pressed emerging nations to set targets to reduce their vast trade surpluses with the West, a plan that could see their currencies rise, as a global finance summit fumbled for ways to reduce tensions that threaten to escalate into a trade war."

USA Today: "Mortgage-backed securities are offering decent returns ... You may have noticed that the mortgage industry has been troubled lately, staying out late at nightclubs, driving erratically and missing meetings with parole officers."

Washington Times: "Fannie Mae and Freddie Mac deep in the hole ... Fannie Mae and Freddie Mac are well on their way to becoming the biggest and most enduring black holes for taxpayers coming out of the 2008 financial crisis, with a new estimate of their bailout cost nearly doubling the tab to as high as \$259 billion."

Washington Times: "COLE: Big banks behaving badly, again ... Why are many of the big Wall Street banks imposing a freeze on foreclosures when the average number of days to foreclose on a property, according to Lender Processing Services, is at an all-time high of 478 days?"

MSN Money: "The big US banks' biggest problem ... Here's my big insight for today: U.S. banks have a big long-term problem."